

MEMORANDUM

TO: County Council

FROM: *MR* Michael Faden, Senior Legislative Attorney

SUBJECT: **Introduction:** Bill 11-07, Recordation Tax - Rate

Bill 11-07, Recordation Tax - Rate, sponsored by the Council President at the request of the Planning Board, is scheduled to be introduced on May 24, 2007. A public hearing is tentatively scheduled for June 19 at 7:30 p.m., along with revisions to the County Growth Policy and related impact tax measures.

Bill 11-07 would increase the rate of the County recordation tax from \$6.90 to \$11.20 per \$1000 paid for a property, and would continue to exempt the first \$50,000 paid.

This packet contains:
Bill 11-07

Circle #
1

Bill No. 11-07
Concerning: Recordation Tax - Rate
Revised: 5-23-07 Draft No. 2
Introduced: May 24, 2007
Expires: November 24, 2008
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: _____

AN ACT to:

- (1) revise the rates of the recordation tax; and
- (2) generally amend the law governing the recordation tax.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-16B, Recordation Tax

| | |
|------------------------------|--|
| Boldface | <i>Heading or defined term.</i> |
| <u>Underlining</u> | <i>Added to existing law by original bill.</i> |
| [Single boldface brackets] | <i>Deleted from existing law by original bill.</i> |
| <u>Double underlining</u> | <i>Added by amendment.</i> |
| [[Double boldface brackets]] | <i>Deleted from existing law or the bill by amendment.</i> |
| * * * | <i>Existing law unaffected by bill.</i> |

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 52-16B is amended as follows:**

2 **52-16B. Recordation Tax.**

3 (a) *Rate.* The rate of the recordation tax, levied under state law, is [\$3.45]
4 \$5.60 for each \$500 or fraction of \$500 of consideration payable or of
5 the principal amount of the debt secured for an instrument of writing,
6 including the amount of any mortgage or deed of trust assumed by a
7 grantee.

8 (b) *Exemption.* The first \$50,000 of the consideration payable on the
9 conveyance of any owner-occupied residential property is exempt from
10 the recordation tax if the buyer of that property intends to use the
11 property as the buyer's principal residence by actually occupying the
12 residence for at least 7 months of the 12-month period immediately after
13 the property is conveyed.

14 *Approved:*

15

Marilyn J. Praisner, President, County Council

Date

16 *Approved:*

17

Isiah Leggett, County Executive

Date

18 *This is a correct copy of Council action.*

19

Linda M. Lauer, Clerk of the Council

Date